

# Japan's credit card giant tries U.S. market

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NEW YORK (AP) — First came the trinkets and toys, then the cameras, cars, computers and electronics. Now Japan is ready to take on a remaining bastion of American economic dominance, the credit card.

JCB International Credit Card Co. Ltd., the largest Japanese credit card company, is expanding aggressively in the United States and plans to peddle the card to American consumers beginning this summer.

The effort has jolted U.S. card companies, which are watching JCB with a mix of awe, curiosity and fear.

At first, JCB officials say, the card will be offered primarily to U.S. individuals such as business

people who travel extensively in the Far East, where JCB is the most widely accepted plastic. They say the card is not intended for a broader U.S. audience, but aren't ruling out that possibility.

"I frankly don't see JCB as a mass card in this country," said Dwayne Krumme, head of JCB's American operation, based in Los Angeles. "I think the JCB card will be niche card, at least in the early years."

Krumme, who formerly ran the credit card business of Los Angeles-based First Interstate Bancorp, said JCB has held preliminary discussions with at least three banks in the Midwest and East about issuing JCB cards in the same way banks issue Visa and Mastercard.

He declined to identify the banks but said "we think we can work something out with them."

JCB already is issuing corporate cards to U.S. businesses and has negotiated deals with credit-card processing companies for repayment services. It is accepted by a growing number of American merchants, from hotels and airlines to swank retailers eager to encourage spending by wealthy Japanese tourists and business people.

At least 300,000 American outlets are expected to accept JCB cards soon, double the present number, JCB officials say. Worldwide, JCB is accepted by 1.4 million merchants, triple the number of five years ago.

JCB's effort to muscle into the U.S. market comes as credit card companies already are competing intensely. JCB's entry also reflects Japan's seemingly inexhaustible financial might, an advantage that some rivals find intimidating.

"We think JCB is going to be one of the major competitive threats of the '90s," said Richard Woods, a spokesman for Mastercard International, accepted by about 8 million merchants worldwide.

Mitsuo Funayama, New York branch manager, said any rival fears of a Japanese assault were unfounded.

"I'm sure JCB won't be so big in this country," he said.

grocery stores have agreed to accept the certificates being sold by the Illinois-based Unimax, doing business as the Smart Shopper Club.

The certificates cost \$60, and consumers were told they could redeem the certificates for \$70 in merchandise at the grocery store of their choice, said division director Gary Hansen.

However, consumers first must had to pay a \$20 subscription fee and were asked to buy a \$50 "marketing kit," which enabled the consumer to sell subscriptions to others and then receive commissions on certificates and kits they sell, he said.

"We have not been able to find a single grocery store or chain in Utah that has agreed to participate in this program or Utah purchasers who have received their certi-

attorney.

The two lawyers tentatively agreed that Unimax would deposit the consumers' money in a Utah bank and the state would return the money to them, he said.

Hansen said that about 50 consumers had spent an average of \$130 on the products, although one had spent \$380, for a total of about \$7,000.

He said the Kentucky attorney general earlier had filed charges against Unimax in connection with a similar plan, citing violations of the state consumer practices act and for operating a pyramid scheme.

The division began looking into the matter when consumers started calling earlier this month for information about the company, Hansen said.

